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San Diego Regional Enterprise Zone

A total of \$1.7 billion worth of investment has been made in San Diego-area Enterprise Zones. More than **20,000 jobs** have been generated, and **hundreds of businesses** have received expedited permit applications. **Thousands more** have received technical or financial assistance.

An Enterprise Zone is a geographically designated area in which businesses can receive substantial state tax breaks and other benefits. Enterprise Zones were created in California to stimulate business investments and to increase job opportunities in areas of high unemployment. San Diego is home to one of 42 Enterprise Zones statewide.

San Diego Regional Enterprise Zone: Established in 2006, the **One Zone** is a regional economic development program incorporating portions of the City of San Diego, significant portions of the City of Chula Vista and the City of National City.

Advantages of the Enterprise Zone Program are the tax savings and other incentives including:

- **Sales or Use Tax Credit:** A tax credit against the purchase of new manufacturing, assembly, data processing or communications equipment equivalent to the amount of sales or use tax, or up to \$1.55 million annually.
- **Hiring Credit:** A tax credit on the wages to qualified new employees over a five-year period (up to 50 percent in the first year, 40 percent in the second year, etc.) This credit could exceed \$34,000 per eligible employee.
- **Accelerated Depreciation Deduction:** The option to accelerate depreciation on business property. A business may treat 40 percent of the cost of qualified property as a business expense in the first year it is placed into service for a maximum deduction of \$20,000 per year, whichever is smaller.
- **Net Interest Deduction for Lenders:** Allows lenders a deduction on the net interest earned from loans made to Enterprise Zone businesses, including business loans, mortgages and loans from noncommercial sources.

Other advantages include:

- No-cost job referral service used to find qualified employees whose wages can be claimed as tax credits.
- Development permit expediting and assistance.
- Tax savings for Enterprise Zone employees.
- Access to specialized technical and financial assistance programs.

For more information, visit www.sandiegoregionalez.org

SAN DIEGO REGIONAL ENTERPRISE ZONE

